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SIPDIS

DEPARTMENT FOR SA, SA/INS, INR/NESA

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [PINR](#) [SOCI](#) [CE](#) [KWMM](#) [ECONOMICS](#)

SUBJECT: Sri Lanka's hill country: Strong support for peace track amid a highly fractured political landscape

Refs: (A) Colombo 1453; (B) 02 Colombo 136

(U) Classified by James F. Entwistle, Charge'  
d'Affaires. Reasons 1.5 (b, d).

11. (C) SUMMARY: During an August 18-19 visit to Sri Lanka's central highlands, interlocutors expressed strong support for the peace process. The local political situation in the region was badly fractured, however, due to personality clashes and differences over a dam project. Contacts also noted that a major leader of the majority tea estate Tamil community was steadily losing influence to a more dynamic rival. If unchecked, the political troubles in the region could cascade to the detriment of the fragile United National Front (UNF) governing coalition. END SUMMARY.

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Visit to Sri Lanka's Hill Country  
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12. (C) A Mission team consisting of polchief, poloff, pol intern, and pol FSN visited Nuwara Eliya District in Sri Lanka's hill country from August 18-19. The region, which is Sri Lanka's major tea growing area, was veiled in a rainy mist much of the visit. Compared to a Mission visit in early 2002 (see Ref B), the town of Nuwara Eliya, with a population of about 40,000, seemed to be better off, with well-dressed locals thronging the town's well-kept streets and foreign tourists selling out the town's hotels. The town's leadership seemed dynamic and reform-minded: in a meeting with the team, for example, Chandanala Karunaratne, the town's new mayor, highlighted plans to revitalize a large lake near the town with water sports to draw more tourists to the once-picturesque British hill station.

13. (C) While Nuwara Eliya town may be on the upswing, the district as a whole still has its share of problems. Living conditions for the district's roughly 700,000 people are poor, and educational opportunities are limited, with the population of the district having an average literacy rate 10 percent lower than Sri Lanka's 93 percent average. Interlocutors stated that the situation was slowly improving as the government worked to fund local welfare projects, especially for the region's tea estate Tamils, who have historically faced discrimination and very limited economic opportunities. (Note: Tea estate Tamils represent over 5.5 percent of Sri Lanka's total population and are the majority community in Nuwara Eliya. In addition to Nuwara Eliya, many live in Uva Province in the southeast, Kandy District, and in Colombo.) Despite the GSL's efforts, Nuwara Eliya District remains one of the poorest regions in southern Sri Lanka, though it is significantly better off than the war-torn north and east.

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Strong Support for the Peace Track  
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14. (C) Across the board, interlocutors conveyed to the U.S. team strong support for the Sri Lankan government's peace process efforts. This confirms local independent polling that shows an 87 percent island-wide approval rating for the peace track, the highest since the advent of the process in December 2001. Both government and opposition MPs stated that district residents -- both the majority Tamils and the minority Sinhalese -- were strongly in favor of the GSL's efforts to negotiate with the Liberation Tigers of Tamil Eelam (LTTE). Local approval for the peace track was strongly correlated to the economic improvement that it was bringing to the region in the form of increased tourism and access to "peace dividend" funding from the GSL, according to Muthu Sivalingam, an MP from the ruling UNF. As is true with most Sri Lankans, interlocutors did express concerns about LTTE behavior, including the group's involvement in a spate of recent assassinations of opponents. That said, contacts believed that the government needed to continue to test the LTTE's commitment to the peace track because a return to war was not a viable option. Polchief underscored strong

U.S. support for the peace process and our hope for a timely resumption of the peace talks. He also stressed our deep concern about LTTE violence.

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A Tumultuous Local Political Situation  
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15. (C) The Conflict between Tamil Parties: While interlocutors were knowledgeable about the peace track, their seeming first love was not policy but political intrigue. Indeed, politicians in the region seemed consumed by bitter personal squabbling. Much of the local tension seems to revolve around the Ceylon Worker's Congress (CWC), the major political party in the region. Contacts told the team that support for Arumugam Thondaman, the CWC leader, continued to decline in favor of P. Chandrasekaran, the leader of the Upcountry People's Front (UPF), a rival tea estate Tamil party. V. Puthrasigamoney, an MP for the People's Alliance, theorized that while significant support for Thondaman remained, much of it was there only out of respect for his grandfather and the CWC's founder, S. Thondaman, who died in 1999. Puthrasigamoney said the younger Thondaman was considered a poor politician and had yet to fill the shoes of his well-regarded grandfather. At the same time, the UPF's Chandrasekaran was considered dynamic and charismatic. The conflict between the two is problematic for the UNF governing coalition in that both men are UNF ministers (Thondaman is minister of housing and Chandrasekaran is minister of community development).

16. (C) Puthrasigamoney, along with other local politicians, highlighted a key political difference between Thondaman and Chandrasekaran -- that of the latter's close relationship with the Tigers. Although no one characterized Chandrasekaran as pro-LTTE per se, interlocutors noted that the UPF leader often met with LTTE officials and at times almost seemed to parrot some of their positions. While strongly pro-peace process and not particularly critical of the Tigers, Thondaman generally took a hands off approach to the group, much like his grandfather did. Given Chandrasekaran's positioning, there was some feeling that the general level of support for the Tigers among tea estate Tamils might have increased a bit in recent years. There was wide accord, however, that there was little danger of the LTTE gaining a "bridgehead" of support in the hill country. Coming from a remote region, tea estate Tamils have traditionally had little involvement with the ethnic conflict. Other than language, they also have had little in common with Jaffna and eastern Tamils, who form the core of the LTTE's support base.

17. (C) Conflict over Dam Project: Another source of divisiveness in the region is the Upper Kotmale dam project. After much study, the government wants to move forward on the Japanese-funded project, which would build a 150-megawatt hydroelectric power station slated to increase the country's energy capacity by seven percent. The power station would be built in Kotmale, an area in western Nuwara Eliya District. Navin Dissanayake, a high profile UNP MP for the Nuwara Eliya District, strongly supports the dam project, which puts him at odds with Thondaman, who bitterly opposes it. Thondaman maintains that the dam will have disastrous environmental effects and displace hundreds of local Tamil families. Countering Thondaman's claims, Dissanayake essentially told the team that Thondaman was a demagogue and was making unsubstantiated allegations about the project. Dissanayake, whose father-in-law is Minister of Power and Energy Karu Jayasuriya, the chief GSL proponent of the dam project, went on to insist that the project must go forward for the country's sake no matter what Thondaman wants.

18. (C) The conflict over the project is not going away anytime soon -- and there are indications that it could escalate. In the past several months, for example, Thondaman has at times seemingly threatened to bolt the governing coalition if plans for the dam project go forward. Dissanayake, for his part, has also given hints that he is not satisfied with the government's performance and there are reports he has engaged in talks about joining the opposition. At this point, against this messy background of political mud wrestling, plans are for work on the project to start in 2004, but the government is reportedly mulling over what to do given all of the political static.

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COMMENT  
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19. (C) If unchecked, the political troubles in the hill country region could cascade to the detriment of the UNF

governing coalition, which maintains only narrow control of Parliament. The personal and political rivalries dividing Thondaman and Navin Dissanayake, and Thondaman and Chandrasekaran, among a myriad of other local personal conflicts, are deep and seemingly intractable. Prime Minister Wickremesinghe will have to use all of his political wiles to ensure that the antagonists remain on board with his coalition -- and not move over to the opposition in an attempt to gain an edge over their local rivals. Simply put, if there are any defections from his coalition, the PM knows his government is in serious peril.

¶10. (C) COMMENT (Continued): Regarding the tea estate Tamils, the community has clearly made a lot of socio-economic progress over the years, and the CWC can take a lot of credit for that. At this point, however, the CWC -- which was once the undisputed center of power in the highlands -- appears to be in the midst of a steady decline in political influence. To some extent, the party's decline can be attributed at least in part to its success in moving hill estate Tamils up the ladder. Thondaman's ongoing failure to live up to his grandfather's reputation is also a key factor in the CWC's problems, however. END COMMENT.

¶11. (U) Minimize considered.

ENTWISTLE